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SUBJECT: BASRAH'S DEPUTY GOVERNOR COMPLAINS ABOUT GOVERNOR

REF: A. 07 BASRAH 101 B. 07 BASRAH 110 C. 07 BASRAH 70

CLASSIFIED BY: Won Lee, A/Director, U.S. Regional Embassy Office, Basrah, Department of State. REASON: 1.4 (b), (d)

- 11. (C/REL MCFI) SUMMARY: Luai Abdul Amir Abbass al-Battat (Future of Iraq Assembly), Basrah's deputy governor, complained June 15 to the Regional Embassy Office (REO) that Governor Muhammed Musbeh Wa'eli (Fadhila Party) has sidelined Luai and used his influence to place his own supporters in key positions. By eliminating any opposition Wa'eli is able to skim money from the provincial budget. Luai ruminated that Fadhila will not run Wa'eli in upcoming provincial elections and is moving him to Fadhila's politburo in Baghdad, but its doubtful Wa'eli will leave. Luai's comments are mostly born of his political impotence, but illustrate how powerful Wa'eli is and the need to emphasize anti-corruption efforts in Basrah. End Summary.
- 12. (C/REL MCFI) Basrah's deputy governor, Luai al-Battat, complained June 15 to REO Poloff that the governor has sidelined him throughout their tenure. According to Luai, Governor Mohammed Wa'eli appropriated much of Luai's own portfolio (especially on financial matters) and has placed limitations on Luai's ability to function as an acting governor when Wa'eli is out of town. Luai also complained that Wa'eli uses his position backed up by Fadhila's militia to move the governor's supporters into key civil service and police positions. Despite the fact that only Minister of Municipalities Riyad Ghurayyib can transfer Director Generals (DG), Wa'eli succeeded in replacing the DG for Human Resources, the DG for Sewers and the head of the Office of Inspections. Luai argued that by having his own men in key positions, the governor is able to manipulate the contracting process with impunity and skims ten percent off each project (ref A).
- 13. (C/REL MCFI) Luai said he had complained to Fadhila's local and national leadership about Wa'eli's treatment of him and alleged abuse of authority, but received unsympathetic responses. He added that Wa'eli was viewed as too corrupt for Fadhila to run him again in provincial elections, but brought too much to the table (guns and money) to be dropped. Instead, Luai claimed that Fadhila is going make Wa'eli a politburo member in Baghdad.
- 14. (C/REL MCFI) COMMENT: The governor and his deputy have had an adversarial relationship ever since they were elected in 2005. In retaliation for Wa'eli's treatment of him, Luai aided Islamic Supreme Council in Iraq (ISCI)/Badr's failed attempts to remove Wa'eli from office ref B-C). Their mutual ill feelings, however, have done little to disrupt Basrah's governance, as the larger security problems and the ISCI/Badr vs. Fadhila gridlock in the provincial council made their gubernatorial disputes seem

trivial.

¶5. (C/REL MCFI) Luai's comments were mostly sour grapes. He has never been a powerful figure in Basrawi politics coming from the minor Future of Iraq Assembly party, and he was selected as the deputy governor because other provincial council members did not view him as a threat. Luai did not tell us anything new about Wa'eli. And its doubtful that Wa'eli will move from Basrah for a Fadhila position elsewhere; Wa'eli's business interests, oil smuggling network, and family are in Basrah. But, Luai's remarks illustrate how powerful Wa'eli is, how perceptions of Wa'eli's corruption may hurt Fadhila in future elections, the ease of manipulating provincial budgets and why anti-corruption efforts need to be emphasized. End Comment.

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